



College Rankings Inflation: Are You Overpaying for Prestige?

By Frederick M. Hess and Taryn Hochleitner

College ranking guides such as Barron's Profiles of American Colleges and US News and World Report serve as bibles for college applicants and their families. The schools they proclaim as most competitive or elite receive a flood of applications, despite their often-hefty price tags. However, the ranks of the top-tier schools are growing, without any evidence that these schools' instructional quality is increasing. Inflation in the number of applications each student submits means that each school seems more selective, and inflation in students' high school GPAs means that their accepted student bodies appear more accomplished. This false sense of exclusivity allows top-tier schools to raise their tuition, knowing parents and students are willing to pay more for the sake of access to the perceived prestige of these institutions. Applicants and their families should be wary of letting these rankings serve as the main criteria in their college decisions.

It's May, and high school seniors across the land are busy choosing a college—making the most expensive and significant decision of their young lives. Parents are nervously eyeing tuition and fees but reluctant to deny their child the chance to attend an "elite" school despite cheaper alternatives. For guidance, students and parents often turn to popular college guides like Barron's *Profiles of American Colleges* or *US News and World Report*, which rank schools according to their admissions standards. A higher ranking can lead families to choose one school over another. Indeed, research has shown that cracking the top fifty in the *US News* rankings leads to a substantial increase in an institution's applications.¹ Unfortunately, families may not know higher education's dirty secret: these rankings mean a lot less than you might think.

High rankings boost an institution's prestige, attracting applicants and permitting schools to

charge top-dollar tuition. These schools are often the priciest; the average full tuition of the top

Key points in this Outlook:

- More and more schools are entering the top tiers of competitiveness rankings in the respected Barron's *Profiles of American Colleges*, largely because of increased application volume and grade inflation, not improved academic quality.
- The number of schools in the most competitive Barron's category doubled between 1991 and 2011, while the share of schools in the bottom categories declined 13 percent. There are now more very competitive schools than less competitive ones.
- Applicants and their families should take these rankings in perspective; interactive college guides that let students search according to lifestyle and learning preferences may better indicate where a student will find the best fit.

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twenty schools ranked by US News in 2011 was \$41,000, over \$10,000 more expensive on average than the next twenty.²

Yet parents and students eagerly pony up. *Student Poll* reported that 67 percent of college-bound students are willing to pay more than they can afford for an institution with a “prestigious academic reputation.”³ Even as families fret about the cost of college and college graduates about their debt, applicants clamor for admission to the nation’s most expensive institutions.

The laws of economics can seem to operate in reverse in higher education; instead of being punished by consumers for high prices, schools frequently attract more students when they raise their tuition. Consider the case of Ursinus College in Pennsylvania,

a small liberal arts school that raised its tuition and fees by almost 18 percent in 2000 in an attempt to boost its appeal. That year, Ursinus received almost two hundred more applications than the year before, and within four years the size of its freshman class had grown by 35 percent.⁴ The lesson? Families associate high price with high quality.

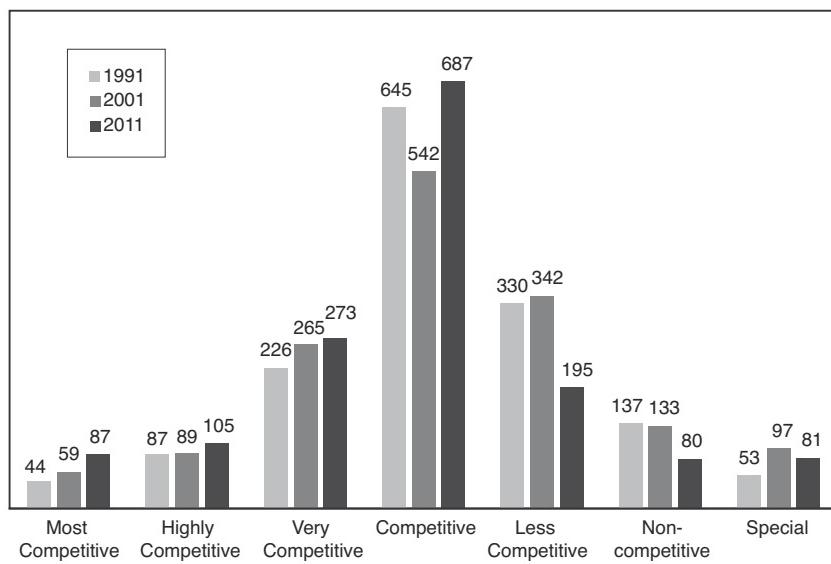
This state of affairs rests on the conviction that elite institutions are a scarce commodity and worth the price of admission. But the club is not nearly as exclusive as it used to be. Today, a much higher proportion of colleges are rated by Barron’s as “most competitive” than in the recent past, even as the number of colleges deemed “less competitive” is shrinking. What we have is a classic case of grade inflation.

This phenomenon is due not to changes in academic quality but to shifts in the college admissions process and in high school grading, which have combined to systematically inflate college rankings. Knowing this can help students and parents better judge whether they are getting their money’s worth when paying top dollar to attend a highly ranked college.

The Exclusive Club Everyone Is In

Each year, Barron’s Educational Series publishes its three-inch thick *Profiles of American Colleges*, a widely used guide to four-year colleges. Barron’s ranks schools

FIGURE 1
NUMBER OF COLLEGES IN BARRON’S COMPETITIVENESS RANKINGS
IN 1991, 2001, AND 2011



SOURCE: Authors’ calculations.

into seven different categories: “most competitive,” “highly competitive,” “very competitive,” “competitive,” “less competitive,” “noncompetitive,” and “special” (those with specialized programs of study). The rankings are determined by four primary criteria: high school class rank, high school grades, and standardized test scores of admitted freshmen, as well as the institution’s selectivity rate (percentage of applicants who are admitted). Colleges in the top, most competitive, tier accept students who rank in the top 20 percent of their high school class and have GPAs of A to B+, boasting median SAT scores for incoming freshmen of 655 to 800.⁵ These schools typically admit less than a third of applicants.

The number of schools in the most competitive category doubled between 1991 and 2011. (See figure 1.) In 1991, forty-four schools ranked as most competitive, increasing to eighty-seven in 2011. The change has been due to a slew of newcomers migrating up to the top spot. Seventeen new schools moved up between 1991 and 2001, and twenty-eight additional schools have been labeled most competitive since 2001. Most of those schools had previously occupied the second (highly competitive) tier. But five—George Washington University, Pitzer College, the University of Miami, the University of Southern California, and Whitman College—leapt multiple tiers to join the category once largely reserved for the nation’s most prestigious institutions. The University of Southern California has made a particularly

remarkable jump since 2001, leaping from the middle (competitive) category to the top tier by 2011.

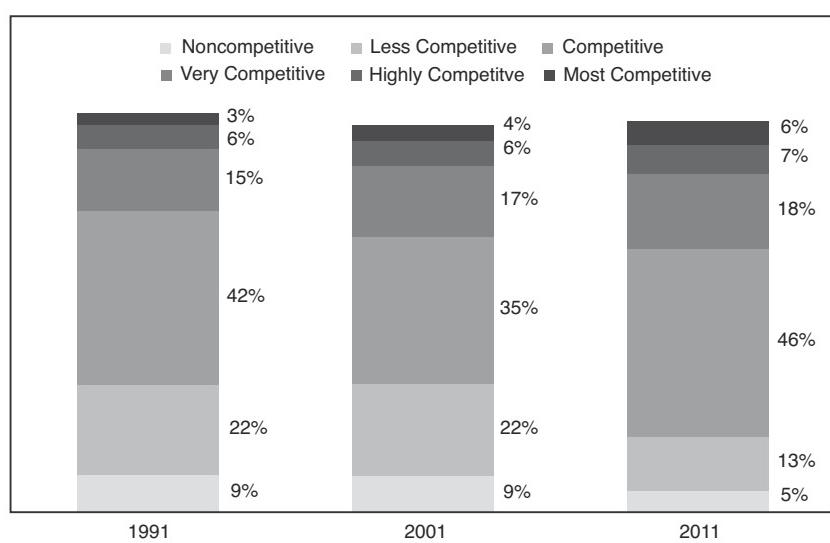
The ranks of the highly and very competitive have also grown steadily since 1991. Schools in the highly competitive category accept between one-third and one-half of their applicants. Incoming freshmen tend to have B+ to B averages and have ranked in the top 35 percent of their high school class, with median SAT scores between 620 and 654. Very competitive schools tend to admit students with no less than a B- average who rank in the top half of their class and have median SAT scores between 573 and 619. These schools accept between half and three-quarters of applicants. Sixty-five schools have joined these categories since 1991, with the highly competitive category growing by eighteen schools and the very competitive by forty-seven.

Instead of being punished by consumers for high prices, schools frequently attract more students when they raise their tuition.

The increase in “elite” schools would not be remarkable if the total number of institutions had grown at a similar rate. But the number of schools ranked by Barron’s has not risen; in fact, it declined slightly (from 1,522 to 1,508) between 1991 and 2011. This means that the most competitive schools, with their Ivy League-like appeal and price points, account for a growing share of the college landscape. They have gone from about 3 percent to 6 percent of institutions since 1991, while the share of institutions in the top three categories has risen from less than a quarter to nearly a third. (See figure 2.)

Meanwhile, the number of less competitive and noncompetitive schools has plunged. Less competitive schools accept students with less than a C average, have average SAT scores below 500, and admit at least 85 percent of applicants. Noncompetitive schools generally require only evidence of graduation from an accredited high school for

FIGURE 2
DISTRIBUTION OF SCHOOLS ACROSS BARRON’S COMPETITIVENESS RANKINGS



NOTE: The “special” category is not included in this chart, so the percentages do not add up to 100.
SOURCE: Authors’ calculations.

admission. The share of schools ranked in these bottom two categories declined from 31 to 18 percent between 1991 and 2011. Indeed, there are now more very competitive institutions than less competitive ones.

The general criteria for Barron’s rankings have remained constant over time. So what is going on?

How Rankings Get Inflated

First, about one million more students per year enroll in four-year institutions today than in 1990, a 50 percent increase in twenty years.⁶ Some of the growth is due to increased college enrollment rates among recent high school graduates and some to an influx of nontraditional students. These additional applications, combined with the accreditation barriers and other market obstacles impeding the emergence of new four-year colleges, mean that demand has increased but supply has not. Consequently, measures that gauge college quality by applications and number of admittances will be biased upward.

Yet the increase in enrollment is not nearly large enough to explain the dramatic shifts we see in the Barron’s rankings. If we survey the Barron’s criteria, we note that class rank has remained static over time (because it is based on a distribution). We also know that SAT reading and ACT scores have remained stable since the late 1980s and that SAT math scores have risen only very

modestly (by fourteen points). However, Barron's other two key components—high school GPA and college selectivity—mean something very different today than they did two decades ago. And the effects of that shift have been dramatic.

Grade Inflation. Since the early 1990s, high school GPAs nationwide have steadily risen, from an average of 2.68 in 1990 to 3.0 in 2009.⁷ The National Center for Education Statistics reports that the number of students who report receiving “mostly As” in high school rose from 40 percent in 1996 to 47 percent in 2007. Going back further, University of California, Los Angeles (UCLA) researchers have reported that, between 1966 and 2006, the percentage of entering college freshmen with a C average in high school fell from 8.6 to 1.3 percent.⁸

Based on these impressive numbers, should we conclude that the average student is more knowledgeable or better prepared than two decades ago? Not exactly. Despite the fact that high school students are earning higher grades, long-term assessment data from the 2008 National Assessment of Educational Progress (NAEP) show no such improvement in math or reading scores for seventeen-year-olds over the past twenty years.⁹ In 1990, this age group earned an average score of 305 out of 500 on the NAEP math exam. In 2008, their average math score was 306. Average reading scores for seventeen-year-olds actually decreased between 1990 and 2008, from 290 to 286.¹⁰ Although high school students seem to be doing better in school, we see no evidence they actually know more than they did.

All of this suggests grades are not the same measure today that they used to be. Yet, given that high school GPAs are used to compute institutional scores in the Barron's calculations, grade inflation has also fueled college rankings inflation. The result is that more institutions can boast student bodies with higher GPAs, but no evidence exists that these students are more accomplished than their lower-graded peers two decades ago.

Application Inflation. Barron's rankings take into account the percentage of applicants accepted in a given year (a college's “selectivity rate”). But it turns out that increased numbers of applications per pupil have created a boom in total applications, allowing nearly every school to appear more selective.

More students are applying to college now than ever, but the number of new applications is far outstripping the actual number of applicants. The National Association

for College Admissions Counseling has reported that nearly 75 percent of colleges have seen an increase in applications every year for the past decade. Accounting for much of this growth is that each applicant is applying to more colleges than in the past. Twenty years ago, only 9 percent of college freshmen had submitted seven or more applications for admission. In 2010, that number had nearly tripled to 25 percent.¹¹ Conversely, the percentage of students submitting only one application steadily fell from 1967 to 2006, from 43 to 18 percent.¹²

Though eighty-seven schools currently occupy the top category on Barron's list, they do not necessarily offer teaching or instruction of similar quality.

Amplifying this trend is the streamlining of the college application process, due largely to the increased accessibility of online applications. In 1990, students applied to college by tediously filling out and then mailing a series of complicated, school-specific applications. In fall 2010, 85 percent of applications to four-year institutions were online. Equally relevant has been the mass adoption of the Common Application, a standardized form students can use to apply to multiple schools. Since it was piloted in 1975, the number of institutions using the Common Application has grown from 15 to 456. Today, more than 80 percent of the Barron's “most competitive” schools use the Common Application. The organization processed 2.4 million applications for 575,000 applicants in 2010–11.¹³

Eric Hoover, admissions expert and senior reporter at the *Chronicle of Higher Education*, has noted, “Applications are, of course, a proxy for popularity and a metric of merit . . . the more apps a college receives, and rejects, the more impressive it seems.”¹⁴ So colleges have been recruiting more aggressively and making it easier to apply, and students have responded by sending out more and more applications. A recent survey published in Student Poll found that about 37 percent of college hopefuls said they planned to alter their college search based on news about the previous year's admissions results, and 60 percent of those said they would apply to more colleges than they had initially planned.¹⁵

Increased selectivity looks different in light of increasing applications. What results is a simple equation: when

students are sending more applications to the same number of colleges, more students will be rejected, *even if the quality of students and institutions remains constant.* Application inflation creates the alluring illusion that colleges are becoming more selective, even if they are not.

Key Takeaways

The Barron's shift in competitiveness rankings holds three key lessons for collegebound students and their families.

First, when opening the latest college guide to eyeball the most competitive schools, applicants should keep in mind that though eighty-seven schools currently occupy the top category on Barron's list, they do not necessarily offer teaching or instruction of similar quality. For instance, graduation rates vary dramatically between colleges and universities in the same tier in Barron's rankings.¹⁶ George Washington University and the University of Miami are among the bottom ten schools in terms of graduation rate among the most competitive institutions, with rates nearly twenty percentage points below those of other institutions in the same category.

Faux exclusivity might be good for a school's endowment or parents' bragging rights, but it too often encourages families to pay top-shelf prices for store-brand merchandise.

Second, at first glance, it can be difficult to distinguish between similarly ranked institutions in Barron's *Profiles*. Because so many schools are highly ranked, it is especially important for applicants to look beyond traditional college guides when weighing their options. One promising tool is the College Board's Big Future, a web tool that generates a list of potential colleges based not on rankings but on a student's preferences for factors like location and learning environment.¹⁷ The *Washington Monthly* College Guide and Rankings, published every year since 2005, classifies institutions based on outputs rather than academic requirements, taking into account research, service, and social mobility.¹⁸

Third, the current rankings system creates perverse incentives for colleges to focus on recruiting and selective admissions rather than student outcomes and academic quality. Consider the recent scandal at Claremont

McKenna College in California, where an admissions official admitted to inflating the school's reported SAT scores for the past six years.¹⁹ Or the case of New York's Iona University, which admitted in 2011 that it had been reporting falsified data, including inflated SAT scores and high school GPAs of freshmen, for a decade.²⁰ Or the example of Baylor University, which offered money to admitted students who retook the SAT and improved their scores to boost the college's admissions profile.²¹ Such cases illustrate how much institutions hustle to cultivate the impression of prestige, whatever the actual educational experience they offer.

Rankings and labels can help prospective students and their parents navigate the college-selection process. But these labels need to be viewed with more care and skepticism than they often are. Faux exclusivity might be good for a school's endowment or parents' bragging rights, but it too often encourages families to pay top-shelf prices for store-brand merchandise. So, students and parents, choose away—but let the buyer beware.

Notes

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